

§ 299.2 What general administrative regulations apply to ESEA programs?

With regard to the applicability of Education Department General Administrative Regulations (EDGAR) in part 80 to the ESEA programs except for title VIII programs (Impact Aid) (in addition to any other specific implementing regulations):

(a) 34 CFR part 80 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments) applies to State, local, and Indian tribal governments under direct grant programs (as defined in 34 CFR 75.1(b)), and programs under title XI of ESEA.

(b) 34 CFR part 80 also applies to State, local, and Indian tribal governments under all other programs under the ESEA and to programs under title III of the Goals 2000: Educate America Act (title III of Goals 2000), unless a State formally adopts its own written fiscal and administrative requirements for expending and accounting for all funds received by State educational agencies (SEAs) and local educational agencies (LEAs) under the ESEA and title III of Goals 2000. If a State adopts its own alternative requirements, the requirements must be available for inspection upon the request of the Secretary or the Secretary's representatives and must—

(1) Be sufficiently specific to ensure that funds received under ESEA and title III of Goals 2000 are used in compliance with all applicable statutory and regulatory provisions;

(2) Ensure that funds received for programs under ESEA and title III of Goals 2000 are spent only for reasonable and necessary costs of operating those programs; and

(3) Ensure that funds received under ESEA and title III of Goals 2000 are not used for general expenses required to carry out other responsibilities of State or local governments.

NOTE: 34 CFR 222.13 indicates which EDGAR provisions apply to title VIII programs (Impact Aid).

NOTE: To meet the first of the three standards, alternative State provisions must, among other things, ensure that costs are allocable to a particular cost objective.

(Authority: 20 U.S.C. 1221e-3(a)(1))

Subpart B—Selection Criteria

§ 299.3 What priority may the Secretary establish for activities in an Empowerment Zone or Enterprise Community?

For any ESEA discretionary grant program, the Secretary may establish a priority, as authorized by 34 CFR 75.105(b), for projects that will—

(a) Use a significant portion of the program funds to address substantial problems in an Empowerment Zone, including a Supplemental Empowerment Zone, or an Enterprise Community designated by the United States Department of Housing and Urban Development or the United States Department of Agriculture; and

(b) Contribute to systemic educational reform in such an Empowerment Zone, including a Supplemental Empowerment Zone, or such an Enterprise Community, and are made an integral part of the Zone or Community's comprehensive community revitalization strategies.

(Authority: 20 U.S.C. 2831(a))

Subpart C—Consolidation of State and Local Administrative Funds

§ 299.4 What requirements apply to the consolidation of State and local administrative funds?

An SEA may adopt and use its own reasonable standards in determining whether—

(a) The majority of its resources for administrative purposes comes from non-Federal sources to permit the consolidation of State administrative funds in accordance with section 14201 of the Act; and

(b) To approve an LEA's consolidation of its administrative funds in accordance with section 14203 of the Act.

(Authority: 20 U.S.C. 8821 and 8823)

Subpart D—Fiscal Requirements

§ 299.5 What maintenance of effort requirements apply to ESEA programs?

(a) *General.* An LEA receiving funds under an applicable program listed in paragraph (b) of this section may receive its full allocation of funds only if